

The Enterprise Zones (EZ) Partnership

The EZ Partnership is a State and county government effort to assist certain types of businesses in specific areas by creating jobs where they are most needed or appropriate.

If your business is eligible and in an EZ, you can:

Reduce your taxes and receive other benefits for up to seven years!

Eligible Businesses

To be eligible for Enterprise Zone benefits, at least half of your annual gross receipts in an EZ must be from one or more of the following activities:

- Agricultural production or processing
- Manufacturing
- Wholesaling
- Aviation or maritime repair or maintenance
- Telecommunications switching and delivery
- Information technology design and production
- Medical research, clinical trials, and Telemedicine
- For-profit training programs in international business management or environmental remediation
- Biotechnology research, development, production, or sales
- Repair or maintenance of assistive technology equipment used by disabled persons
- Certain types of call centers such as bill collection, technical support for computer hardware and software manufacturers, disease management services, product fulfillment services, or disaster management services
- Wind energy production

Other businesses are **not** eligible, including retail, restaurants, professional services, and construction, or construction trade contracting.

Hiring Requirements

Hiring requirements differ based on whether a firm is classified as "existing" or "new" business. All businesses must employ at least one full-time worker (20 hours or more per week)* before beginning participation. All qualified businesses must increase their average annual number of fulltime employees by **10%** in the first year.

New Businesses:

Businesses that start up in, or move to an EZ must maintain at least a **10%** increase in the average annual number of full-time employees from the first year in years 2 to 7.

Example 1: Minimum Number of Employees

Start	Yr 1	Yr 2	Yr 3	Yr 4	Yr5	Yr6	Yr7
1	2	2	2	2	2	2	2
10	11	11	11	11	11	11	11

Ag businesses only: In lieu of increasing staff, increase total sales by at least 2%

Existing Businesses:

Example 2: Minimum Number of Employees

Start	Yr 1	Yr 2	Yr 3	Yr 4	Yr5	Yr6	Yr7
10	11	11	11	12.5	14	15.5	17

Businesses currently operating in an EZ must increase their average annual number of full-time employees by at least **10%** in year one, and **15%** annually *each year* in **years 4 to 7**.

Ag businesses only: In lieu of increasing staff, increase total sales by at least 2%.

* Businesses which need to build out or remodel their EZ site before opening for business are exempt from this requirement until opening for business.

Benefits

State Benefits:

Businesses that satisfy the gross receipts and hiring requirements each year receive the following tax benefits for seven consecutive years:

- 100% exemption from General Excise Tax (GET)
- An 80% State non-refundable income tax credit the first year, declining by 10% each year for the next six years.
- An additional State non-refundable income tax credit equal to 80% of Unemployment Insurance premiums paid the first year, declining 10% each year for the next six years.

Year	1	2	3	4	5	6	7
State Income Tax Credit	80%	70%	60%	50%	40%	30%	20%
Unemp. Ins. Credit	80%	70%	60%	50%	40%	30%	20%

- Licensed contractors are also exempt from GET on revenue from construction done at the EZ site of any business enrolled in the EZ Partnership.

County Benefits:

Each county government also offers additional benefits that may include one or more of the following:

- Property tax adjustments
- Zoning or building permit waivers or variances
- Priority permit processing